Enhancing Financial Literacy for Sustainable Future: A Study of Rural Students in the districts of Himachal Pradesh

SYNOPSIS OF THESIS

Submitted by

Charu Arora

Registration No. AU20MGPhD0065

Under the Supervision of

Dr. Jyoti Sondhi

In Partial a Fulfillment of the Requirement

For the Degree of

DOCTOR OF PHILOSOPHY

SCHOOL OF MANAGEMENT
FACULTY OF ENGINEERING & MANAGEMENT
ABHILASHI UNIVERSITY
CHAILCHOWK, CHACHTYOT MANDI (H.P)-175028

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DECLARATION

I hereby that the dissertation synopsis entitled **"Enhancing Financial Literacy for Sustainable Future: A Study of Rural Students in the districts of Himachal Pradesh"** to be submitted for the partial fulfillment of the Degree of Doctor of Philosophy is my original work and the dissertation has not formed the basis for the award of any degree, diploma, associate ship or fellowship of similar other titles, It has not been submitted to any other University or Institution for the award of any degree or diploma.

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Document Information

Analyzed document	syn.docx (D168254318)
Submitted	5/24/2023 6:34:00 PM
Submitted by	jyoti sondhi
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Sources included in the report

W URL: https://www.journalijdr.com/sites/default/files/issue-pdf/24086.pdf
Fetched: 8/22/2022 9:16:05 AM 3

Content

Sr.No	Descriptive	Page.No
	DECLARATION	**i**
	Anti-Plagiarism Certificate	**ii**
	Content	**iii**
1.	**INTRODUCTION**	**1-5**
	1.1. Financial Literacy	5-6
	1.2. Financial Literacy and Sustainable Future Environment	7
	1.3. Factors Affecting Financial Literacy	7-8
	1.4. Purpose of Financial Literacy	8-9
2.	**LITERATURE REVIEW**	**9-16**
3.	**RESEARCH AND METHOD**	**16**
	3.1. Research Gap	16-17
	3.2. Significance of the study	17
	3.3. Objectives of the study	17-18
	3.4. Hypotheses of the study	18
	3.5. Research Design	19
	3.6. Scope of the study	19
	3.7. Source of Data	19-20
	3.8. Sample Design	20
	3.9. The Research Instrument	20
	3.10. Statistical Analysis	20-21
4.	**Proposed Chapter Scheme**	**21-22**
5.	**Reference**	**22-26**

1. INTRODUCTION:

Financial literacy plays a vital role in empowering individuals to make informed financial decisions and secure a sustainable future (Lusardi & Mitchell, 2014). In today's complex economic landscape, where financial products and services are becoming increasingly diverse, it is essential to equip individuals with the knowledge and skills necessary to navigate the financial world effectively (OECD, 2019). Unfortunately, a significant portion of the population, particularly in rural areas, lacks the necessary financial literacy, limiting their ability to make sound financial choices.

The sustainability of a developing country's economy, such as India's, is dependent on the depth of its financial sector, which is dependent on the financial literacy level of its population and demand for financial products and services. The type of financial education provided to investors influences their level of financial literacy. Financial education is the process of improving consumers' and investors' understanding of financial products and concepts. The government, policymakers, and regulators have made significant efforts to promote financial education and literacy. The Investor Education and Protection Fund (IEPF), established by the Indian government, provides funding for initiatives aimed at investor empowerment, education, and protection. In order for investors to make effective investment decisions, IEPF equips them with the knowledge, abilities, and information they need.

Oanea and Dornean (2013) reviewed the domestic and international literature for the definition of terms “financial” and “literacy”, for a better understanding of these two concepts. Their definition is brief and clear with the emphasis on the financial awareness. “Financial literacy implies a person’s minimal knowledge about financial terms such as money, inflation, interest rate, credit and others, and the abilities and skills of that person to use all this information in personal life, being aware about the consequences of its financial actions.”
Financial Literacy is generally considered as special knowledge related to how an individual manages his or her financial (UmmyKalsum, Buyung Sarita, Edi Cahyono& Andi BasruWawo 2018). Financial literacy helps general public in understanding the needs and benefits of the products and services offered by the banks and accelerate the pace of financial inclusion (RBI 2013).

‘Financial literacy is the ability to make informed judgments and to take effective decisions regarding the use and management of money.’ (Noctor et al. (1992).

Personal financial literacy is the ability to read, analyze, manage and communicate about the personal financial conditions that affect material wellbeing. It includes the ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future and respond competently to life events that affect every day financial decisions, including events in the general economy' (Vitt et al. (2000).

'Financial literacy is a basic knowledge that people need in order to survive in a modern society' (Kim (2001).

'Financial knowledge is defined as understanding of key financial terms and concepts needed to function daily in the society' (Bowen (2003).

'Financial literacy refers to a person's ability to understand and make use of financial concepts' (Servon and Kaestner (2008).

Financial literacy is a process that promotes financial inclusion through which an individual develops an understanding and skills in utilizing, spending, and saving money as well as enhancing his or her ability in decision making for using of financial resources. Financial literacy is a conglomeration of awareness, knowledge, skills, and behaviour towards financial well-being resulting in ultimate financial stability. It not only inculcates one's knowledge but also focuses on financial inclusion by educating various segments of the society, especially the vulnerable sections through financial literacy programmes. Financial literacy is a conglomeration of awareness, knowledge, skills, and behaviour towards financial well-being resulting in ultimate financial stability. It enables individuals to manage their own finances and equips them to avoid financial crisis. Financial literacy promotes financial capability among the vulnerable sections through access in savings, credit, transaction, loans, planning etc. thus resulting in sustainable income generation for combating poverty (OECD, 2013; Huston, 2010). It is not only the enhancement of skills and knowledge but encouraging an individual in decision making on effective monetary management. Imparting knowledge on various means of financial literacy affects financial behaviour (Lusardi & Mitchell, 2014), it is essential to value people's capacity of accepting basic financial concepts and the extent to which financial skills short among the vulnerable sections namely women and poor.

Financial Literacy and Financial Inclusion have become hot topics among policymakers, researchers, and other stakeholders in the aftermath of the global financial crisis. This increased interest reflects a better understanding of the value of financial inclusion for both economic and social development. Access to financial services is increasingly recognised as critical in

reducing extreme poverty, boosting shared prosperity, and supporting inclusive and sustainable development across nations, both economically rich and fiscally poor. Similarly, financial literacy is quickly becoming recognised as a critical skill for consumers navigating an increasingly complex financial landscape. It is not surprising, then, that governments around the world are interested in finding effective ways to improve the level of financial literacy among their populations, and that many are in the process of developing and implementing a national financial education strategy to provide learning opportunities throughout a person's life. India, a fast-growing economy with a focus on inclusive growth and a stable financial system, recognises the need and has prepared the National Strategy for Financial Education (NSFE) under the guidance of the Financial Stability and Development Council's Technical Group on Financial Inclusion and Financial Literacy, which would cater to all sections of the country's population.

Individuals' financial stability is ensured by their financial literacy. An economic indicator that can be tracked globally is financial literacy. Sustainable engagement, corporate social responsibility, financial literacy, and financial performance have emerged as key metrics for gauging economic expansion. The depletion of natural resources is another important issue of the day. There is a connection between CSR and financial education, according to numerous studies. Financial performance on the market and intellectual capital. Sustainability is the process of adapting the current business model to the dynamic economic, financial, social, political, and demographic context while ensuring that the finite resources (financial, physical, and human) are utilised effectively and responsibly in order to achieve long-term goals. Both the quality of people's lives and the relationships between businesses and the environment are improved. However, any type of existing activity as well as any type of organization (either public or private).

Based on capital—a fundamental asset without which neither would exist. Sustainability is not just an important aspect of public health; it is a requirement for health. Climate change, oil peaking, and ecosystem degradation all pose serious health risks by threatening food shortages, displacements, new disease vectors, and resource conflicts. At the same time, the overconsumption habits that are the root cause of unsustainable consumption pose a threat to obesity and a variety of mental and physical illnesses associated with a sedentary lifestyle. This article looks at the skills and characteristics that learners will need to develop to survive and thrive in the twenty-first century in ways that contribute to sustainability. The term ‘sustainability literacy' refers to these abilities and characteristics. ‘Sustainability literacy’

follows in the footsteps firstly of ‘environmental literacy’ and then ‘ecological literacy’. The emphasis has shifted from a narrow focus on pollution to broader concerns about how the environment can provide basic necessities for current and future generations. As a result, definitions of the new form of 'literacy' have tended to become less specific and broader in scope. Consider Orr's description of 'ecological literacy,' which represents a halfway point:

Ecological literacy…implies a broad understanding of how people and societies relate to each other and to natural systems, and how they might do so sustainably… [It also implies] an understanding of concepts such as carrying capacity, overshoot, thermodynamics, tropic levels… magnitudes, rates, trends of population growth, [and] species extinction... Ecological literacy requires a comprehension of the dynamics of the modern world. The sustainability agenda and construction are intricately linked. The rationale, therefore, for embed-ding sustainability within the construction curriculum is powerful. Strong policy drivers for embedding sustainability in the curriculum also exist, but the response from construction educators is thus far patchy. However, the case study demonstrates that integrating sustain-ability issues within construction courses is readily achievable. In this article we review the literature on financial literacy, financial education, and consumer financial outcomes. Massive growth is threatening the sustainability of cities and the quality of city life. Mass urbanization can lead to social instability, undermining the capacity of cities to be environmentally sustainable and economically successful. A new model of sustainability is needed, including greater incentives to save energy, reduce consumption and protect the environment while also increasing levels of citizen wellbeing. Cities of the future should be a socially diverse environment where economic and social activities overlap and where communities are focused around neighbourhoods. They must be developed or adapted to enable their citizens to be socioeconomically creative and productive. Currently, from the perspective of educational practices, the methods used to teach the next generation to be fully responsive, politically, socially, ecologically, and historically, towards a sustainable way of living have become critical. This requires a major shift in attitude. We need to create more open-minded generalists who can see the complex connections to realize such a way of life instead of narrowed-minded specialists. The Life and Sustainability course at Thammasat University offers opportunities to multi-disciplinary students to shape and share their ideas on sustainability issues and long-term goals. The overall findings suggest that the environmental preservation, economic growth and related topics have an impact on Earth are becoming more and more important today. The attitude of the corporate, government and the students is witnessing a change. Though the awareness is there, yet the level of contribution of both the corporate and the institutes is very

low. It also came to light that most of the students realize that environmental education should be an intrinsic part of business paradigm.

The present study supports the idea that education for sustainability should emphasize on future thinking, envisioning the future creatively, and building on the conversation of public engagement and empowerment.

Even though different cities face different issues and scales of challenges, the concepts to tackle the sustainability challenges have already been explored. ‘Sustainable city’ is a considerably broad concept; it has attracted the most academic attention in this field. Other city and model concepts related to sustainability, such as ‘Smart city’, ‘Digital city’, ‘Eco city’, ‘Green city’, ‘Low carbon city’, ‘Knowledge city’, and ‘Resilient city’ have also been in the spotlight, while the concepts of ‘Intelligent city’, ‘Ubiquitous city’, ‘Live able city’, and ‘Information city’ are relatively new (Jong *et al.*, 2015).

This study attempts to enhance financial literacy for sustainable future environment with special reference to rural students of Higher Education in the districts of Himachal Pradesh. This study aims to address the issue of financial literacy among rural students of higher education in the districts of Himachal Pradesh. Through this study, we aim to explore the current level of financial literacy among rural students of higher education in the districts of Himachal Pradesh, identify the factors contributing to the lack of financial knowledge, and propose effective strategies to enhance financial literacy among this vulnerable population. By empowering rural students of higher education with essential financial skills and knowledge, we aim to foster a sustainable future for these individuals and their communities.

1.1 Financial Literacy

Financial literacy is defined as an individual's understanding of the fundamental functions of money and markets. It is the process by which individuals gain an understanding of their financial situation and learn how to strengthen it over time by instilling financial habits such as saving, budgeting, and planning, and thus making the right financial decisions. Financial literacy is essential these days for everyone to make basic financial decisions.

OECD INFE has defined financial literacy as "A combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing".

Financial literacy is the application of knowledge and skills to effectively use financial resources in an individual's life to improve their financial well-being. An individual's financial literacy determines his or her ability to make sound financial decisions such as saving, funding, budgeting, and planning. Financial literacy skills enable people to make better financial decisions with their money and reduce the risks associated with investing and spending. Financial literacy is essential knowledge that everyone requires to achieve financial well-being. Financial knowledge obtained from various sources will assist individuals in managing their financial needs. Individuals who can manage their finances effectively will eventually achieve financial well-being. Financial well-being can have a significant impact on the well-being of individuals in a household, society, nation, and the world.

In the current environment, it is critical for rural students of higher education students of Himachal Pradesh to gain financial knowledge in addition to subject knowledge, as these students have much greater freedom in their consumption decisions. Over the last two decades, both developed and developing countries have grown increasingly concerned about their citizens' financial literacy and knowledge, particularly among young people. Students will be able to manage their finances more effectively if they learn financial skills. It can assist them in developing financial plans, managing funds properly, saving money, and so on. In a country like India, where 60% of the population is between the ages of 18 and 23, there is a constant need for better financial knowledge among college students so that funds can be used most effectively. Financial literacy will assist rural students of higher education in understanding the financial products available as well as the risks associated with them, as well as in developing the skills and confidence to become more aware of financial opportunities and to take effective actions to improve their financial well-being. Financial education is critical for providing familiarity and understanding of the various products available in the financial market. This familiarity can also assist rural students of higher education of Himachal Pradesh in advising their parents on financial management, allowing for better utilisation of funds. This could lead to better financial decisions, and these decisions could have a positive impact not only on households, but also on a country's overall economic and financial stability.

1.2 Financial Literacy and Sustainable Future Environment:

Financial literacy: The word literacy is not the same as financial literacy. There's a distinction to be made between literacy and financial literacy. Literacy simply refers to the ability to read and write, but financial literacy is a broad concept that encompasses a variety of skills, financial knowledge, attitude, and behaviour for making sound decisions about long-term development. Financial literacy is now an important research topic in the context of social accountability and responsibility.

Sustainable future Environment: A sustainable future is one in which people can meet their basic needs without jeopardising future generations' ability to meet their own needs. Environmental sustainability encompasses a wide range of global issues, including climate change, water management, soil, and water pollution, among others. Financial education is essential for better understanding the needs of combating climate change.

1.3 Factors affecting Financial Literacy of Rural Students of Higher Education:

- **Socioeconomic Background:** The socioeconomic background of rural students significantly influences their financial literacy. Students from economically disadvantaged backgrounds may have limited exposure to financial concepts and resources, making it challenging for them to develop financial knowledge and skills.
- **Access to Financial Education:** Limited access to financial education resources, such as textbooks, qualified teachers, and educational institutions, can hinder the financial literacy development of rural students. The lack of proper infrastructure and educational facilities in rural areas may restrict their opportunities to learn about financial topics.
- **Parental Influence:** The financial literacy of parents or caregivers plays a crucial role in shaping the financial knowledge and attitudes of rural students. If parents lack financial literacy themselves, they may struggle to provide adequate guidance and support to their children, perpetuating a cycle of limited financial knowledge.
- **Lack of Role Models:** The absence of financial role models within rural communities can impact students' perception and interest in financial literacy. Without individuals who demonstrate financial knowledge and responsible financial behaviors, students may have limited exposure to positive examples to emulate.

- **Cultural Factors:** Cultural beliefs, norms, and practices can influence the importance given to financial literacy within rural communities. If financial matters are not prioritized or discussed openly, students may perceive financial literacy as less relevant or important.
- **Language Barriers:** Language barriers can hinder the understanding of financial concepts for rural students. If financial education materials and resources are not available in local languages or do not consider the cultural context, students may struggle to engage with and comprehend the content effectively.
- **Technology Accessibility:** Limited access to technology, internet connectivity, and digital resources in rural areas can impede students' ability to access online financial education platforms, interactive tools, and digital learning resources, hindering their financial literacy development.
- **Curriculum Emphasis:** The emphasis placed on financial education within the school curriculum can vary across regions. If financial literacy is not adequately integrated into the curriculum or lacks practical applications, rural students may not receive the necessary exposure to financial concepts and skills.
- **Lack of Awareness:** Limited awareness about the importance and benefits of financial literacy can hinder rural students' motivation to engage with financial education. Without an understanding of how financial knowledge can positively impact their lives, students may not prioritize developing financial literacy skills.

1.4 Purpose of financial literacy

The ability to manage money effectively and with understanding are referred to as having financial literacy. The goal of financial literacy is to provide people with the knowledge and skills they need to manage their money effectively, make wise decisions, and reach their financial objectives.

The Bank has established Financial Literacy Centres (FLCs) in accordance with RBI guidelines with the following goals:

• To promote financial inclusion by making two necessities, namely literacy and simple access, available.

• To inform a variety of target audiences, such as school and college students, women, the poor in rural and urban areas, members of the armed forces, and senior citizens, about the central bank and general banking concepts.

• To help the average person use financial services effectively.

2. LITERATURE REVIEW

Financial inclusion is essential for a nation's development. There are many different financial goods and services on the market. Only when the public fully utilises these goods and services can we genuinely claim that financial inclusion has been accomplished. Financial literacy is necessary to achieve financial inclusion. A person can only manage a bank account and make wise financial investments if he or she is financially educated. Many research on financial inclusion have been done, some of which are:

Gupta, K., et al. (2014), stated the level of financial literacy amongst 87 micro-Entrepreneurs of Kangra district of Himachal Pradesh based on record keeping, various institutional awareness, savings, investment plans, savings management and various loan products. It is found that most of respondents are responsive of bank loans, less awareness about other financial institutions. Overall possess low financial skills which reflected in deficient record keeping, poor cash management, improper savings habits, less awareness on financial products. Research suggested that to create more awareness and financial alternatives for well-being of micro-Entrepreneurs.

Berry, R., et al. (2021), states that sustainable growth of economy of developing country like India is dependent on financial literacy level and demand for financial products and services by their population. Improvement in financial literacy is based on quality of financial education. Individuals with low financial literacy level are not able to access the financial services provided by the banks. Present paper focuses on measuring financial literacy level of urban and rural people of Shimla. Dimensions like financial knowledge, financial behaviour and financial attitude was used to assess the financial literacy level. A statistical tool like Regression, T- test was used to measure financial literacy and to see whether there is any difference in financial literacy level of urban and rural people. T-test reveals that there is a

significant difference in financial literacy level of individuals of urban and rural areas of Shimla. Regression analysis indicates financial literacy has a significant impact on financial behaviour of individuals.

Paluri, R. A.,et al. (2016), analysed factors influencing financial attitudes of Indian women to classify Indian women based on attitude with 9 variables: anxiety, interest in financial issues, intuitive decisions, precautionary savings, free spending, materialistic and fatalistic attitude, propensity to plan for long and short term financial goals. Study used confirmatory factor analysis to cluster the women of Nashik city. Based on cluster analysis classified customer into judicious consumers, conservative consumers, acquisitive consumers and unsure consumers. It is found that only one third of respondents did not buy any financial products, most preferred products were fixed deposit and insurance. And also found that cluster 1 followed by cluster 3 seems to be attractive for marketers, cluster 4 is unattractive.

Bhushan, P., et al. (2013), conducted survey of 516 salaried individuals of Himachal Pradesh using multistage sampling to check the financial literacy level. It is found that overall literacy level is low and financial literacy level of male is more than females. Level of education, income, nature of employment and place of work influence on financial literacy whereas geographical region does not influence on financial literacy.

Xu, L., et al. (2012), have stated that the general notions of financial literacy include perception of financial products, markets, and investing procedures as well as possessing rudimentary math abilities, the ability to plan for the future, and rudimentary money management. It also depends on the nation's degree of revenue. Financial literacy is seen as a consumer protector in high-income countries, but in low-income countries, access to financial products and services is restricted to a tiny portion of the population. Author attempted to measure financial literacy and its correlates in this study. According to the author, high income countries have low levels of financial literacy, while there is little information available for low and moderate income nations. Fin Scope performed research in 14 nations and discovered that only 56 persons in high-income nations like Ghana are knowledgeable about financial goods. He discovered that women in all countries have a low degree of financial literacy, and that this level also varies by age, income, education, and racial and geographic differences. Financial literacy of women depends on having a bank account, taking out insurance, being business literate, and having an interest in financial education in low income countries while it depends on retirement planning,

investment behaviour, loans, and debt effects of individuals in high income countries. To educate customers, numerous financial education initiatives are being run. These initiatives aim to improve customer perceptions of financial goods and encourage saving and financial planning. Although programmes to help people prepare for retirement, emphasise the value of saving, and increase general financial literacy among youth are primarily targeted towards those in industrialised nations. In contrast, the goal in developing nations is to encourage saving and educate people about insurance and savings accounts.

Haque, A., et al. (2016), states that financial literacy is crucial for using our finances in a responsible manner. Increased social standing and economic empowerment are two benefits of financial knowledge. This study was carried out with the intention of examining and identifying the significance of financial attitude, literacy, and behaviour on the economic empowerment of working women. The study will focus on working Pakistani women who are not directly connected to financial institutions. The sample is chosen using a non-probability technique. About 300 respondents were being selected. Data was collected through questionnaire and interview. Economic empowerment has a positive impact on financial attitude, financial literacy and financial wellbeing. Women working in education sector have high level of financial knowledge. Empowerment of women is directly related with financial literacy. Working women in Pakistan are treated as financially literate and have a great decision making power.

Chen, H., et al. (2002), Gender differences in personal financial literacy among college students, the survey was conducted on 1800 students from fourteen universities of U.S., out of which 924 useable responses were collected. The study attempted to examine financial literacy among college students by determining their personal finance knowledge in the areas of general knowledge of personal finance, savings & borrowings, insurance and investment. The results suggested that women generally were less knowledge about personal finance as compare to male counterparts. Gender differences remained significant statistically even after controlling other factors like class rank, work experience and age. Also noted that participant's financial literacy was related to the education and experience.

Lusardi, A., et al. (2010), they attempted to study the young group in U.S and collected the data using National Longitudinal Survey of Youth in 2007-08. The questions were framed to

obtain answers pertaining readiness of the young ones to take sound financial decisions, affecting determinants of financial literacy in young ones and the policy initiatives required to enhance the young one's financial literacy. It was found that financial literacy is low, less than one-third of young adults possess basic knowledge of interest rates, and risk diversification. Also stated that financial literacy was strongly related to socio demographic characteristics and financial sophistication of family.

Amtiran, P. Y., et al. (2021, November), stated the financial literacy of traditional market sellers. Financial literacy is an important issue for these sellers, as they often operate on a small scale and may not have access to formal financial services or education. The study aims to investigate the level of financial literacy among traditional market sellers, as well as the factors that may influence their financial literacy. The authors use a survey method to collect data from 150 traditional market sellers in Indonesia. They find that the level of financial literacy among the sellers is relatively low, with many lacking knowledge about basic financial concepts and practices. The authors also identify several factors that may influence financial literacy, including education level, experience in business, and access to financial education programs. They suggest that efforts to improve financial literacy among traditional market sellers should focus on providing targeted education programs that address their specific needs and challenges. This study states the importance of financial literacy for small-scale entrepreneurs and suggests that efforts to improve financial literacy could have significant benefits for these individuals and their communities.

Kumari, S., et al. (2021), states thatfinancial literacy and economic growth are the two sides of the same coin and this is very important for the people of a country to be financially literate to participate in the growth of the country. It is not so that only tax payers of the country are the sole basis of the development of the country, in order to observe an overall growth people from all the dimensions and fields participate equally in the same. In the lieu of the same present research is based on the financial literacy of the women in various districts of Himachal Pradesh. It has been observed from various reports and researches that the women in the rural areas are the earning members of the family but their efforts are being not really recognized, this is because of the male dominated society. But against all odds the rural women are notifying their active participation in the development of the society and financial literacy is the important aspect of the same. This study is based on the analysis of financial literacy of the women in rural areas of Himachal Pradesh. This present study is based on primary data and

100 women are taken as the sample of the study and all the relevant dimensions are being evaluated. Statistical analysis is done by SPSS and presented in the graphical and tabular form.

Cordero, J. M., et al. (2022), explores to state whether teaching basic financial concepts at schools helps to improve students' ability to apply the knowledge and skills that they learn to real-life situations involving financial issues and decision making measured by a standardized financial literacy assessment. To do this, we exploit the rich set of comparative data about the countries participating in the PISA 2012 financial literacy module. Our empirical analysis is based on multilevel (hierarchical) regression modelling including country fixed effects. Our results suggest that the availability of financial education is positively and significantly related to students' financial literacy, regardless of the strategy applied to teach financial concepts. Nevertheless, it has a very small influence compared to the major role played by other individual- and school-level factors. In addition, we find that students receiving courses taught by specialists from private institutions and non-governmental organizations achieve better results than others receiving financial education training from their teachers.

Dogra, P., et al. (2023), states that financial literacy has been identified as an important functional area that attains a special concern in the Indian government policies and plans specially designed for the financial market. SEBI has issued various guidelines and awareness programs towards investment financial products, digital payment systems, consumer protection and so on. Therefore, the purpose of the present article is to analyse the level of financial literacy among youngsters in India. The study examined the relationship between the antecedents of financial literacy, that is, financial attitude, financial knowledge and financial behaviour. The theoretical purposed model was tested with the help of primary data that was collected with the help of the self-structured questionnaire. A total of 647 responses were obtained from the respondents belonging to the holy city Mathura, Uttar Pradesh, India. To identify the financial literacy antecedents and their inter-relationship, exploratory factor analysis (EFA), confirmatory factor analysis (CFA) and structural equation modelling were applied to the collected data. The findings indicated that in the case of the Indian population, financial attitude and financial behaviour were significantly associated with financial literacy. The moderation analysis reveals that males are more particular about financial knowledge and financial behaviour in comparison to females. Respondents belonging to the age group of 26–30 years have better financial knowledge. Respondents who have income more than ₹800 thousand and below two years have more financial knowledge. This article contributes to the

theoretical body of knowledge by providing insights about the interesting topic of financial literacy by identifying its antecedents. The study also highlights the impact of the demographic variables as moderators on the antecedents of financial literacy. The outcomes of the study are vital for the government in the designing of public policies. The findings are helpful for the educational program designers for the outlining of the programs and syllabus for the subjects taught in the schools and colleges. The findings are useful for the bank managers to understand the psychological behaviour as well as demographic variables for the effective marketing and communication of their financial products.

Kandpal, V., et al. (2023), states that a country's economy needs a robust financial system to grow and progress sustainably. Many formidable challenges have been faced in the area of financial inclusion, such as bridging the gap between the various sections of society that are financially excluded within the sphere of the formal financial system, providing financial literacy, and strengthening credit delivery mechanisms to improve socio-economic development. Considering that the new entrants to the financial system are likely to be more vulnerable, customer protection and grievance redressal have become important pillars for furthering sustainable financial inclusion.

This is further accentuated by the fact that there has been a steep increase in access to digital financial services, which calls for a robust customer protection framework. Some of the measures undertaken include increased market monitoring, the creation of strong enforcement machinery to redress customer grievances and improved coordination between the financial sector supervisors.

Yang, J. (2023, December), states the integrity issues in the financial quotient education of "post-00s" college students, and fundamentally discovers and improves the integrity of college students, which is conducive to improving college students' moral cultivation, promoting the healthy development of college students' physical and mental health, and improving students' establishment of correct concepts of wealth and financial quotient literacy. Among the "post-00s" college students, there are a few students who do not fully understand the concept of wealth and lack of understanding of receiving financial quotient education. Therefore, in daily behaviour, especially business behaviour, there is a gap between specific integrity behaviour and integrity expression. Colleges and universities need to continuously improve the integrity thinking of "post-00s" college students and guide their integrity behaviours through moral education guidance, case education guidance, and financial education guidance based on

financial quotient education. This study focuses on sorting out the overall status of college students' financial quotient education and integrity status, empirically measuring the current status of college students' value orientation, exploring the key factors and mechanisms of influence, and putting forward targeted guidance strategies.

Widyaswati, R., et al. (2023), states that financial anxiety can impact financial decision-making negatively. Theoretically, knowledge is considered to help mitigate stress in making decisions. However, the empirical results are inconsistent with respect to the association between financial literacy (knowledge of financial terms and concepts) and financial anxiety, perhaps because of the employment of limited psychometric measures. Furthermore, cognitive intelligence and financial literacy inter-correlate positively, suggesting that any effect between financial literacy and financial anxiety may be accounted for by intelligence, a construct known to facilitate problem solving. Consequently, measures of verbal intelligence (vocabulary and verbal reasoning), financial literacy, and financial anxiety were administered to a sample of 553 adults. Vocabulary and verbal reasoning were found to associate positively with financial literacy, however, only vocabulary associated with financial literacy uniquely. Furthermore, while vocabulary and financial literacy correlated negatively with financial anxiety, the effect between vocabulary and financial anxiety was fully mediated by financial literacy, controlling for education and age. We conclude that financial literacy appears to have a direct effect onto financial anxiety, independently of the effects of verbal intelligence, formal education, and age, supporting the potential usefulness of financial literacy training.

Kumari, S., et al. (2021),states that Education and Role of technology is a right combination that allows the people to make the right decision for sustainable development. It has been observed that financial education is a challenge globally. Financial education plays fundamental role for better understanding the needs of combat climate change. Education and Environmental awareness are important to create global networks among the different corporation that include public and private sectors. Financial literacy is closely connected with sustainable growth of economy. Sustainable behaviors of individuals are required for ensuring the sustainable development in the society. This paper is to discuss the importance of financial literacy for sustainable future Environment. It deals with the concept of financial literacy, sustainable development and to study the respondent demographic profile as well as the knowledge about financial literacy for sustainable future environment. The paper is designed

is on Primary data and secondary data. Primary data is collected through survey. A questionnaire is used which is most common tool for collection of data. Secondary data is gathered through various reports, Articles, journals or through literature re-view focus on financial literacy for sustainability. This paper analysis important of financial literacy for sustainable future environment with special reference to rural people of particular District of Himachal Pradesh. This study has covered only one district of Himachal Pradesh.

Pradhan, B. K., et al. (2023), states that The United Nations Sustainable Development Goals (SDGs) form the edifice of sustainable future and an inclusive growth. Indian state of Odisha has made significant progress in human development in the recent years, however, in comparison to several other Indian states it still lags behind. This study aims to understand the future prospects and challenges for achieving the SDGs in the state of Odisha and the policy support that exists or is needed in this context. To achieve this objective, an econometric analysis was conducted to determine the relationship between public social sector spending and the Multidimensional Poverty Index (MPI) in order to assess the investment requirements for achieving the SDGs. The results of this study suggest that an increase in public spending on the social sector has a statistically significant effect on reducing the MPI and therefore could facilitate the achievement of the SDGs in the state. Given the substantial financial requirements and the current economic uncertainty the state might have to explore alternative means of financing. Better governance and higher efficiency in the implementation of policies/programs assume more importance in the current setting.

3. RESEARCH AND METHOD

3.1 RESEARCH GAP

While numerous studies on financial literacy and sustainable development have been conducted, there is a research gap in understanding the specific challenges and opportunities faced by Himachal Pradesh's rural students of higher education. Existing research frequently focuses on urban populations or broader regional contexts, ignoring the unique circumstances of rural students of higher education in Himachal Pradesh districts. The purpose of this study is to close this gap by investigating the financial literacy levels and sustainable practises of

rural students in the chosen district. This study will provide localised insights and recommendations that can be tailored to the needs of rural students of higher education in the district of Himachal Pradesh by focusing on a specific geographical area and population. Furthermore, previous research has frequently examined financial literacy and sustainable practises as distinct topics, failing to investigate the potential relationship between these two domains. This research aims to close the gap by investigating the relationship between financial literacy and environmental sustainability. This study aims to provide a more comprehensive understanding of the factors that contribute to a sustainable future among rural students of higher education in Himachal Pradesh districts by understanding how financial knowledge influences sustainable behaviours and vice versa.

3.2 SIGNIFICANCE OF THE STUDY

This present study on Enhancing Financial Literacy among rural students of higher education in the districts of Himachal Pradesh is examined from a variety of angles. About all of the aspects that a person might consider while making a financial decision have been considered in this study. Due to the concept's youth, it was discovered throughout the literature review that there aren't many studies on enhancing financial literacy among rural students of higher education in the districts of Himachal Pradesh. Determining the financial literacy and skills of rural students of higher education in districts of Himachal Pradesh is crucial because today's students could become investors tomorrow. The present study has therefore tried to analyse the level of financial literacy of rural students. The government, regulators, and financial institutions can adapt financial planning courses to help students achieve greater financial freedom, which will aid in the capital development of the economy, with the help of the identification of these crucial areas.

3.3 OBJECTIVES OF THE STUDY

1. Assess the current level of financial literacy among rural students in the district of Himachal Pradesh.
2. Identify the factors influencing financial literacy and sustainable behaviors among rural students in the same district.

3. To determine the impact of student's knowledge on his/her personal opinion and decision on issue related with finance.
4. Propose strategies and interventions to enhance financial literacy and promote sustainable environmental practices among rural students.

3.4 Hypotheses of the study

The following hypothesis were purpose to validate the study's findings based on the above objectives:

Hypothesis 1

H0: The current level of financial literacy among rural students in the selected district of Himachal Pradesh is low.

H1: The current level of financial literacy among rural students in the selected district of Himachal Pradesh is moderate to high.

Hypothesis 2

H0: There are no significant factors influencing financial literacy and sustainable behaviors among rural students in the selected district of Himachal Pradesh.

H1: There are significant factors influencing financial literacy and sustainable behaviors among rural students in the selected district of Himachal Pradesh.

Hypothesis 3

H0: There is no significant difference between the impact of student's knowledge on his/her personal opinion and decision on issue related with finance.

H1: There is a significant difference between the impact of student's knowledge on his/her personal opinion and decision on issue related with finance.

3.5 Research Design:

The Descriptive Research Design will be used in the study. The descriptive research is used to get a broader picture of the topic under the study. In order to generate results, this sort of study design use data collection methods like natural observation, case studies, and surveys.

3.6 SCOPE OF THE STUDY

This present study's focus is on the districts of Himachal Pradesh. This study on enhancing financial literacy among rural students of higher education may consider a wide range of variables that influence this population's financial literacy as well as potential effects on their financial well-being. The subject area of this study includes general personal finance knowledge, knowledge of savings and borrowing, knowledge of insurance and knowledge of investment.

3.7 Source of data:

Sources are both primary and secondary. They support one another and allow you to develop a strong case for financial literacy with particular emphasis on Himachal Pradesh.

1. Primary data:

Information that will be gathered using surveys and interviews created specifically to comprehend and address the specific study issue at hand.

2. Secondary data:

1. Books regarding financial Literature and financial Planning.
2. Various reports published by various banking and financial agencies regarding promotion of financial Literacy.
3. Surveys conducted by different agencies regarding Financial Literacy among college students.
4. Independent research work done in various institutions and Universities.
5. Textbook related to various financial literacy and financial Planning.

Pilot Survey

A pilot study is proposed to be conducted with the questionnaire to a sample size of 50 respondents i.e. 10% of the total sample of 500 respondents. On the basis of this pilot survey some of the required corrections will be made in the questionnaire and survey approach.

3.8 Sample Design

In this present study, the convenience sampling approach will be used to choose a sample of 500 students in the age group of 18-23 belonging to different faculties of Arts, Commerce and Science. These respondents will be from 2 districts namely Mandi and Bilaspur. For this present study, Himachal Pradesh an Indian state has been taken as the area of the study.

3.9 The Research Instrument

In order to measure several areas of personal finance, such as financial literacy on general knowledge, savings, borrowing, insurance, and investment, data will be collected utilizing a structured questionnaire comprising statements related to the study goals and will include the questions of the following type:

5-point scale

Yes/No

MCQ

3.10 Statistical Analysis and Statistical Tools

Various mathematical and statistical tools will be used for this study, which are as follows: -

- Descriptive Tools
- Percentage
- Measures of Central Tendency,
- Standard Deviation
- Inferential Tools
- One Way ANOVA (F-Test)
- Chi-square test.

MS Excel and SPSS Ver.26.0 will be used as a data analysis.

4. PROPOSED CHAPTER SCHEME

The study will be organised into the following chapters:

Chapter1. Introduction

1.1 Financial Literacy Defined

1.2 Conceptual Framework of Financial Literacy

1.3 Social Factors Influencing Financial Behavior

1.4 The importance of Gender in the context of Financial Literacy and Education

1.5 Financial Literacy and Sustainable Future Environment

Chapter2. Literature Review

2.1 Review

2.2 Research Gap

Chapter3. Research Design

3.1 Significance and Scope of the Study

3.2 Need of the Study

3.3 Objective of the study

3.4 Hypothesis of the study

3.5 Study Population

3.6 Sampling Techniques and Sample Size

3.7 Data Collection

3.9 Statistical Analysis

Chapter4. Data Analysis and Interpretation

Chapter5. Summary, Finding and Conclusion

Reference

Annexure

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